

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AUGUSTA, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2018**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Education
Augusta Unified School District No. 402

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **Augusta Unified School District No. 402, Augusta, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2018**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2018**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of regulatory basis cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education
Augusta Unified School District No. 402**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of regulatory basis cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we rendered an unmodified opinion dated December 13, 2017. The 2017 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018, on our consideration of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting and compliance.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 4, 2018

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 18	\$ 12,524,759	\$ 12,524,759	\$ 18	\$ 149,388	\$ 149,406
Special Purpose Funds							
Supplemental General	95,586	0	4,240,036	4,150,388	185,234	156,117	341,351
At Risk (4 Year Old)	0	0	46,912	46,912	0	0	0
At Risk (K-12)	0	0	1,840,611	1,840,611	0	0	0
Bilingual Education	0	0	11,998	11,998	0	0	0
Virtual Education	0	0	0	0	0	0	0
Capital Outlay	3,140,713	330	1,412,544	1,559,050	2,994,537	108,321	3,102,858
Driver Training	80,737	0	38,090	28,102	90,725	0	90,725
Food Service	186,547	0	842,479	810,285	218,741	0	218,741
Professional Development	54,759	325	24,544	34,449	45,179	703	45,882
Special Education	600,881	334	2,382,107	2,342,528	640,794	128	640,922
Career and Postsecondary Education	0	685	506,224	506,224	685	8,546	9,231
KPERS Contribution	0	0	1,296,309	1,296,309	0	0	0
Federal Funds	0	0	392,204	392,204	0	24,695	24,695
Gifts and Grants	62,733	0	55,237	74,799	43,171	16,700	59,871
Contingency Reserve	450,000	0	0	0	450,000	0	450,000
Textbook & Student Material Revolving	345,558	0	253,303	157,229	441,632	22,997	464,629
Special Reserve	79,074	0	0	66,368	12,706	0	12,706
District Activity Funds	24,760	0	91,398	98,142	18,016	1,698	19,714
Debt Service Funds							
Bond and Interest	4,354,447	0	4,223,300	3,320,506	5,257,241	0	5,257,241
Special Assessment	2,532	0	60	0	2,592	0	2,592
Capital Projects	0	0	0	0	0	29,408	29,408
	<u>\$ 9,478,327</u>	<u>\$ 1,692</u>	<u>\$ 30,182,115</u>	<u>\$ 29,260,863</u>	<u>\$ 10,401,271</u>	<u>\$ 518,701</u>	<u>\$ 10,919,972</u>

Composition of Cash:

Checking Accounts	\$ 898,923
Money Market Accounts and CDs	6,514,132
Investments	3,702,304
	<u>11,115,359</u>
Agency Funds	(195,387)
	<u>\$ 10,919,972</u>

The notes to the financial statement are an integral part of this statement.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Augusta Unified School District No. 402 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Augusta, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Projects Fund-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
Special Reserve	District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2 - In Substance Receipt in Transit:

The District received \$1,027,013 subsequent to June 30, 2018, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 3 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2017 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,296,309 for the year ended June 30, 2018.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Net Pension Liability

At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$15,714,591. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 4 - Deposits and Investments:

As of June 30, 2018, the District had the following investments and maturities:

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	\$ 3,680,584	N/A
Memorial & Scholarships-Mutual Funds	20,858	N/A
Total Fair Value	<u>\$ 3,701,442</u>	

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2018, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	99%
Memorial & Scholarships-Mutual Funds	1%

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$7,413,055 and the bank balance was \$7,863,976. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance and the remaining \$7,113,976 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2018, the District had invested \$3,680,584 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 5 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 6 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 7 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The District has adopted an early retirement program. Under the program, a full-time employee must be at least 57 years of age with 15 or more years with the District and 20 or more years of service credit recognized by the Kansas Public Employees Retirement System (KPERS). Benefits under the plan are calculated by the number of years of service credit recognized by KPERS plus the number of years the employee was denied participation in KPERS due to part-time employment for such employee multiplied by the largest base salary received during any one of the five years immediately preceding planned retirement, multiplied by, a factor of 0.005. These benefits terminate at the end of the month in which the employee reaches the age of eligibility for being able to retire on a full social security benefit at normal social security retirement age or at death, if sooner.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2018, was \$136,423 for 13 former employees.

Note 8 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

Transfer from:	Transfer to:								Total
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Capital Outlay	Professional Development	Special Education	Career and Postsecondary Education	Textbook & Student Material Revolving	
General Fund	\$ 46,912	\$ 1,840,611	\$ 11,998	\$ 31,396	\$ 20,000	\$ 2,231,024	\$ 483,349	\$ 0	\$ 4,665,290
Supplemental									
General Fund	0	0	0	0	0	140,434	0	80,000	220,434
	<u>\$ 46,912</u>	<u>\$ 1,840,611</u>	<u>\$ 11,998</u>	<u>\$ 31,396</u>	<u>\$ 20,000</u>	<u>\$ 2,371,458</u>	<u>\$ 483,349</u>	<u>\$ 80,000</u>	<u>\$ 4,885,724</u>

Note 9 - Advance Refunding of Bond Obligation:

On December 27, 2012, the District issued \$9,570,000 in General Obligation Bonds with interest rates ranging from 2.00 % to 3.00%. Of the issue, \$9,510,490 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,395,000 of the 2008 Series A General Obligation Bonds. As a result, this portion of the 2008 Series A General Obligation Bonds is considered defeased and not included in long-term debt as of June 30, 2018.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

On April 1, 2013, the District issued \$8,965,000 in General Obligation Bonds with interest rates ranging from 1.50 % to 4.00%. Of the issue, \$9,767,119 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,515,000 of the 2008 Series A General Obligation Bonds.

On July 15, 2014, the District issued \$4,050,000 in General Obligation Bonds with interest rates ranging from 2.00 % to 3.00%. Of the issue, \$4,122,005 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$3,845,000 of the 2008 Series A General Obligation Bonds.

On January 14, 2015, the District issued \$8,620,000 in General Obligation Bonds with an interest rate of 4.00%. Of the issue, \$9,656,946 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,815,000 of the 2008 Series A General Obligation Bonds.

On January 6, 2016, the District issued \$8,615,000 in General Obligation Bonds with interest rates ranging from 3.00 to 4.00%. Of the issue, \$9,174,334 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,660,000 of the 2008 Series A General Obligation Bonds.

On January 5, 2017, the District issued \$6,500,000 in General Obligation Bonds with interest rates ranging from 3.00 to 4.00%. Of the issue, \$6,682,483 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$6,445,000 of the 2008 Series A General Obligation Bonds.

As of June 30, 2018, \$44,675,000 of the 2008 Series A Bonds outstanding are considered defeased and not included in long-term debt below.

Note 10 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital lease are due quarterly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2018, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2008 Series A	4.00 - 5.25	6/15/08	\$ 48,000,000	9/1/33
2012 Series	2.00 - 3.00	12/27/12	\$ 9,570,000	9/1/32
2013 Series	1.50 - 4.00	4/1/13	\$ 8,965,000	9/1/31
2014 Series	2.00 - 3.00	7/15/14	\$ 4,050,000	9/1/25
2015 Series	4.00	1/14/15	\$ 8,620,000	9/1/28
2016 Series	3.00 - 4.00	1/6/16	\$ 8,615,000	9/1/30
2017 Series	3.00 - 4.00	1/5/17	\$ 6,500,000	9/1/30
Capital Lease				
Field Turf - Baseball	3.060	11/6/13	\$ 200,000	11/6/17

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Changes in long-term liabilities for the District for the year ended June 30, 2018, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2008 Series A	\$ 2,285,000	\$ 0	\$ 1,060,000	\$ 1,225,000	\$ 705,315
2012 Series	9,570,000	0	0	9,570,000	274,121
2013 Series	8,965,000	0	0	8,965,000	313,150
2014 Series	4,050,000	0	0	4,050,000	120,350
2015 Series	8,620,000	0	0	8,620,000	344,800
2016 Series	8,615,000	0	0	8,615,000	297,050
2017 Series	6,500,000	0	0	6,500,000	205,450
	<u>48,605,000</u>	<u>0</u>	<u>1,060,000</u>	<u>47,545,000</u>	<u>2,260,236</u>
Capital Lease					
Field Turf - Baseball	52,283	0	52,283	0	1,600
	<u>52,283</u>	<u>0</u>	<u>52,283</u>	<u>0</u>	<u>1,600</u>
	<u>\$ 48,657,283</u>	<u>\$ 0</u>	<u>\$ 1,112,283</u>	<u>\$ 47,545,000</u>	<u>\$ 2,261,836</u>

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2019	\$ 1,225,000	\$ 0	\$ 1,225,000	\$ 1,896,979	\$ 0	\$ 1,896,979	\$ 3,121,979
2020	2,510,000	0	2,510,000	1,518,471	0	1,518,471	4,028,471
2021	2,605,000	0	2,605,000	1,444,146	0	1,444,146	4,049,146
2022	2,685,000	0	2,685,000	1,366,796	0	1,366,796	4,051,796
2023	2,790,000	0	2,790,000	1,281,290	0	1,281,290	4,071,290
2024 - 2028	15,645,000	0	15,645,000	4,918,766	0	4,918,766	20,563,766
2029 - 2033	20,085,000	0	20,085,000	1,744,684	0	1,744,684	21,829,684
	<u>\$ 47,545,000</u>	<u>\$ 0</u>	<u>\$ 47,545,000</u>	<u>\$ 14,171,132</u>	<u>\$ 0</u>	<u>\$ 14,171,132</u>	<u>\$ 61,716,132</u>

Note 11 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 12 - Subsequent Events:

The District has evaluated subsequent events through December 4, 2018, the date which the financial statement was available to be issued.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 12,822,964	\$ (298,205)	\$ 0	\$ 12,524,759	\$ 12,524,759	\$ 0
Special Purpose Funds						
Supplemental General	4,242,385	(91,997)	0	4,150,388	4,150,388	0
At Risk (4 Year Old)	60,090	0	0	60,090	46,912	(13,178)
At Risk (K-12)	1,841,000	0	0	1,841,000	1,840,611	(389)
Bilingual Education	20,000	0	0	20,000	11,998	(8,002)
Virtual Education	19,180	0	0	19,180	0	(19,180)
Capital Outlay	2,000,000	0	0	2,000,000	1,559,050	(440,950)
Driver Training	60,000	0	0	60,000	28,102	(31,898)
Food Service	1,062,576	0	0	1,062,576	810,285	(252,291)
Professional Development	60,235	0	0	60,235	34,449	(25,786)
Special Education	2,428,341	0	0	2,428,341	2,342,528	(85,813)
Career and Postsecondary Education	611,978	0	0	611,978	506,224	(105,754)
KPERS Contribution	1,344,151	0	0	1,344,151	1,296,309	(47,842)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	392,204	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	74,799	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	157,229	XXXXXXXXXX
Special Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	66,368	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	98,142	XXXXXXXXXX
Debt Service Funds						
Bond and Interest	3,320,736	0	0	3,320,736	3,320,506	(230)
Special Assessment	2,532	0	0	2,532	0	(2,532)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
	<u>\$ 29,896,168</u>	<u>\$ (390,202)</u>	<u>\$ 0</u>	<u>\$ 29,505,966</u>	<u>\$ 29,260,863</u>	<u>\$ (1,033,845)</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 142,886	\$ 0	\$ 0	\$ 0
State Sources	<u>12,870,102</u>	<u>12,524,759</u>	<u>12,822,964</u>	<u>(298,205)</u>
	<u>13,012,988</u>	<u>12,524,759</u>	<u>\$12,822,964</u>	<u>\$ (298,205)</u>
Expenditures				
Instruction	2,745,338	\$ 2,931,830	\$ 2,954,984	\$ (23,154)
Student Support Services	567,586	591,497	590,840	657
Instructional Support Staff	402,421	398,189	430,199	(32,010)
General Administration	653,355	620,737	711,643	(90,906)
School Administration	1,070,170	1,137,927	1,116,215	21,712
Central Services	231,586	243,418	276,027	(32,609)
Operations & Maintenance	1,583,329	1,590,733	1,634,603	(43,870)
Student Transportation Services	289,156	329,471	309,586	19,885
Other Supplemental Services	15,985	15,667	16,464	(797)
Transfers	5,454,062	4,665,290	4,782,403	(117,113)
Adjustment to Comply with Legal Max	<u>0</u>	<u>0</u>	<u>(298,205)</u>	<u>298,205</u>
	<u>13,012,988</u>	<u>12,524,759</u>	<u>\$12,524,759</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>18</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 18</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,238,723	\$ 1,269,121	\$ 1,175,980	\$ 93,141
County Sources	175,982	194,218	185,592	8,626
State Sources	2,841,102	2,776,697	2,785,227	(8,530)
	<u>4,255,807</u>	<u>4,240,036</u>	<u>\$ 4,146,799</u>	<u>\$ 93,237</u>
Expenditures				
Instruction	3,630,752	3,645,756	\$ 3,738,031	\$ (92,275)
Instructional Support Staff	1,960	5,787	2,500	3,287
Central Services	217,444	237,697	227,420	10,277
Operations & Maintenance	53,440	40,714	54,000	(13,286)
Transfers	361,683	220,434	220,434	0
Adjustment to Comply with Legal Max	0	0	(91,997)	91,997
	<u>4,265,279</u>	<u>4,150,388</u>	<u>\$ 4,150,388</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(9,472)	89,648		
Unencumbered Cash, Beginning	105,058	95,586		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 95,586</u>	<u>\$ 185,234</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>At Risk (4 Year Old) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 65,510	\$ 46,912	\$ 60,090	\$ (13,178)
	<u>65,510</u>	<u>46,912</u>	<u>\$ 60,090</u>	<u>\$ (13,178)</u>
Expenditures				
Instruction	64,243	46,912	\$ 60,090	\$ (13,178)
Other Supplemental Services	1,267	0	0	0
	<u>65,510</u>	<u>46,912</u>	<u>\$ 60,090</u>	<u>\$ (13,178)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 1,755,542	\$ 1,840,611	\$ 1,841,000	\$ (389)
	<u>1,755,542</u>	<u>1,840,611</u>	<u>\$ 1,841,000</u>	<u>\$ (389)</u>
Expenditures				
Instruction	1,754,729	1,838,189	\$ 1,839,379	\$ (1,190)
Student Support Services	813	2,422	1,621	801
	<u>1,755,542</u>	<u>1,840,611</u>	<u>\$ 1,841,000</u>	<u>\$ (389)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Bilingual Education Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 2,774	\$ (2,774)
Transfers	<u>14,897</u>	<u>11,998</u>	<u>17,226</u>	<u>(5,228)</u>
	<u>14,897</u>	<u>11,998</u>	<u>\$ 20,000</u>	<u>\$ (8,002)</u>
Expenditures				
Instruction	<u>14,897</u>	<u>11,998</u>	<u>\$ 20,000</u>	<u>\$ (8,002)</u>
	<u>14,897</u>	<u>11,998</u>	<u>\$ 20,000</u>	<u>\$ (8,002)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Virtual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 5,000	\$ (5,000)
Transfers	11,550	0	14,180	(14,180)
	<u>11,550</u>	<u>0</u>	<u>\$ 19,180</u>	<u>\$ (19,180)</u>
Expenditures				
Instruction	11,550	0	\$ 19,180	\$ (19,180)
	<u>11,550</u>	<u>0</u>	<u>\$ 19,180</u>	<u>\$ (19,180)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 727,436	\$ 844,677	\$ 748,413	\$ 96,264
County Sources	88,129	108,578	103,668	4,910
State Sources	406,110	427,893	433,021	(5,128)
Transfers	200,533	31,396	0	31,396
	<u>1,422,208</u>	<u>1,412,544</u>	<u>\$ 1,285,102</u>	<u>\$ 127,442</u>
Expenditures				
Instruction	49,489	198,896	\$ 305,000	\$ (106,104)
Student Support Services	1,570	0	187,000	(187,000)
Instructional Support Services	13,523	17,289	35,000	(17,711)
General Administration	0	0	5,000	(5,000)
School Administration	0	0	5,000	(5,000)
Central Services	0	5,764	5,000	764
Operations & Maintenance	364,156	376,619	692,758	(316,139)
Transportation	123,060	105,332	176,109	(70,777)
Facility Acquisition & Construction Services	459,314	855,150	589,133	266,017
	<u>1,011,112</u>	<u>1,559,050</u>	<u>\$ 2,000,000</u>	<u>\$ (440,950)</u>
Receipts Over (Under) Expenditures	411,096	(146,506)		
Unencumbered Cash, Beginning	2,729,617	3,140,713		
Prior Year Canceled Encumbrances	<u>0</u>	<u>330</u>		
Unencumbered Cash, Ending	<u>\$ 3,140,713</u>	<u>\$ 2,994,537</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 24,484	\$ 23,498	\$ 26,260	\$ (2,762)
State Sources	14,592	14,592	18,200	(3,608)
	<u>39,076</u>	<u>38,090</u>	<u>\$ 44,460</u>	<u>\$ (6,370)</u>
Expenditures				
Instruction	25,430	26,438	\$ 41,425	\$ (14,987)
Vehicle Operations, Maintenance Services	290	1,664	18,575	(16,911)
	<u>25,720</u>	<u>28,102</u>	<u>\$ 60,000</u>	<u>\$ (31,898)</u>
Receipts Over (Under) Expenditures	13,356	9,988		
Unencumbered Cash, Beginning	67,381	80,737		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 80,737</u>	<u>\$ 90,725</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 336,120	\$ 325,941	\$ 373,414	\$ (47,473)
State Sources	8,899	8,848	7,665	1,183
Federal Sources	511,701	507,690	494,950	12,740
	<u>856,720</u>	<u>842,479</u>	<u>\$ 876,029</u>	<u>\$ (33,550)</u>
Expenditures				
Operations & Maintenance	2,103	1,266	\$ 2,000	\$ (734)
Food Service Operation	821,378	809,019	1,060,576	(251,557)
	<u>823,481</u>	<u>810,285</u>	<u>\$ 1,062,576</u>	<u>\$ (252,291)</u>
Receipts Over (Under) Expenditures	33,239	32,194		
Unencumbered Cash, Beginning	153,308	186,547		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 186,547</u>	<u>\$ 218,741</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 4,544	\$ 5,476	\$ (932)
Transfers	45,000	20,000	0	20,000
	<u>45,000</u>	<u>24,544</u>	<u>\$ 5,476</u>	<u>\$ 19,068</u>
Expenditures				
Instructional Support Staff	33,840	34,352	\$ 60,235	\$ (25,883)
Central Services	0	97	0	97
	<u>33,840</u>	<u>34,449</u>	<u>\$ 60,235</u>	<u>\$ (25,786)</u>
Receipts Over (Under) Expenditures	11,160	(9,905)		
Unencumbered Cash, Beginning	43,599	54,759		
Prior Year Canceled Encumbrances	<u>0</u>	<u>325</u>		
Unencumbered Cash, Ending	<u>\$ 54,759</u>	<u>\$ 45,179</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Federal Sources	\$ 0	\$ 10,649	\$ 0	\$ 10,649
Transfers	<u>2,193,074</u>	<u>2,371,458</u>	<u>2,428,341</u>	<u>(56,883)</u>
	<u>2,193,074</u>	<u>2,382,107</u>	<u>\$ 2,428,341</u>	<u>\$ (46,234)</u>
Expenditures				
Instruction	2,008,336	2,184,173	\$ 2,259,371	\$ (75,198)
Student Transportation Services	<u>155,743</u>	<u>158,355</u>	<u>168,970</u>	<u>(10,615)</u>
	<u>2,164,079</u>	<u>2,342,528</u>	<u>\$ 2,428,341</u>	<u>\$ (85,813)</u>
Receipts Over (Under) Expenditures	28,995	39,579		
Unencumbered Cash, Beginning	571,886	600,881		
Prior Year Canceled Encumbrances	<u>0</u>	<u>334</u>		
Unencumbered Cash, Ending	<u>\$ 600,881</u>	<u>\$ 640,794</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Career and Postsecondary Education Fund	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,000	\$ 0	\$ 25,000	\$ (25,000)
State Sources	6,174	5,091	9,000	(3,909)
Federal Sources	17,982	17,784	15,978	1,806
Transfers	388,187	483,349	562,000	(78,651)
	<u>413,343</u>	<u>506,224</u>	<u>\$ 611,978</u>	<u>\$ (105,754)</u>
Expenditures				
Instruction	518,967	465,906	\$ 558,202	\$ (92,296)
Instructional Support Staff	27,227	28,014	31,776	(3,762)
Student Transportation Services	14,703	12,304	22,000	(9,696)
	<u>560,897</u>	<u>506,224</u>	<u>\$ 611,978</u>	<u>\$ (105,754)</u>
Receipts Over (Under) Expenditures	(147,554)	0		
Unencumbered Cash, Beginning	147,554	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>685</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 685</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 0	\$ 1,296,309	\$ 1,344,151	\$ (47,842)
Transfers	865,798	0	0	0
	<u>865,798</u>	<u>1,296,309</u>	<u>\$ 1,344,151</u>	<u>\$ (47,842)</u>
Expenditures				
Instruction	583,823	873,752	\$ 906,000	\$ (32,248)
Student Support Services	37,588	58,097	60,241	(2,144)
Instructional Support Staff	29,301	40,251	41,736	(1,485)
General Administration	22,935	34,784	36,068	(1,284)
School Administration	70,856	106,092	110,008	(3,916)
Central Services	25,980	41,307	42,831	(1,524)
Operations & Maintenance	68,574	99,650	103,328	(3,678)
Student Transportation Services	22,982	37,407	38,787	(1,380)
Other Supplemental Services	1,625	1,770	1,835	(65)
Food Service Operation	2,134	3,199	3,317	(118)
	<u>865,798</u>	<u>1,296,309</u>	<u>\$ 1,344,151</u>	<u>\$ (47,842)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Bond and Interest Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 1,894,900	\$ 1,971,633	\$ 1,853,734	\$ 0
County Sources	321,020	292,728	279,526	13,202
State Sources	<u>1,861,589</u>	<u>1,958,939</u>	<u>1,958,939</u>	<u>0</u>
	<u>4,077,509</u>	<u>4,223,300</u>	<u>\$ 4,092,199</u>	<u>\$ 13,202</u>
Expenditures				
Debt Service	<u>3,209,636</u>	<u>3,320,506</u>	<u>\$ 3,320,736</u>	<u>\$ (230)</u>
	<u>3,209,636</u>	<u>3,320,506</u>	<u>\$ 3,320,736</u>	<u>\$ (230)</u>
Receipts Over (Under) Expenditures	867,873	902,794		
Unencumbered Cash, Beginning	3,486,574	4,354,447		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,354,447</u>	<u>\$ 5,257,241</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Special Assessment Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 90	\$ 60	\$ 0	\$ 60
County Sources	1,165	0	0	0
	<u>1,255</u>	<u>60</u>	<u>\$ 0</u>	<u>\$ 60</u>
Expenditures				
Facilities Acquisition	0	0	\$ 2,532	\$ (2,532)
	<u>0</u>	<u>0</u>	<u>\$ 2,532</u>	<u>\$ (2,532)</u>
Receipts Over (Under) Expenditures	1,255	60		
Unencumbered Cash, Beginning	1,277	2,532		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,532</u>	<u>\$ 2,592</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 0	\$ 3,185
Federal Sources	<u>382,675</u>	<u>389,019</u>
	<u>382,675</u>	<u>392,204</u>
Expenditures		
Instruction	352,840	360,618
Instructional Support Staff	15,586	19,818
General Administration	14,249	11,768
Food Service	<u>0</u>	<u>0</u>
	<u>382,675</u>	<u>392,204</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 75,379	\$ 55,237
	<u>75,379</u>	<u>55,237</u>
Expenditures		
Instruction	34,744	61,396
Instructional Support Staff	7,290	13,403
	<u>42,034</u>	<u>74,799</u>
Receipts Over (Under) Expenditures	33,345	(19,562)
Unencumbered Cash, Beginning	29,386	62,733
Prior Year Canceled Encumbrances	<u>2</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 62,733</u>	<u>\$ 43,171</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 115,000	\$ 0
	<u>115,000</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	115,000	0
Unencumbered Cash, Beginning	335,000	450,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 450,000</u>	<u>\$ 450,000</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 176,291	\$ 173,303
Transfers	81,580	80,000
	<u>257,871</u>	<u>253,303</u>
Expenditures		
Instruction	169,909	88,301
Student Support Services	68,254	68,928
	<u>238,163</u>	<u>157,229</u>
Receipts Over (Under) Expenditures	19,708	96,074
Unencumbered Cash, Beginning	325,850	345,558
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 345,558</u>	<u>\$ 441,632</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Special Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 79,074	\$ 0
	<u>79,074</u>	<u>0</u>
Expenditures	<u>0</u>	<u>66,368</u>
	<u>0</u>	<u>66,368</u>
Receipts Over (Under) Expenditures	79,074	(66,368)
Unencumbered Cash, Beginning	0	79,074
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 79,074</u>	<u>\$ 12,706</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Facility Acquisition & Construction	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations				
AHS General	\$ 357	\$ 10,242	\$ 10,366	\$ 233
AHS Band	1,236	14,849	10,735	5,350
AHS Scholars Bowl	329	905	209	1,025
AHS Flag Corp	1,759	250	186	1,823
AHS Forensics	1,508	3,174	4,509	173
AHS Library	2,212	0	0	2,212
AHS Music	11	0	0	11
AHS Drama	6,471	6,421	6,962	5,930
AHS Vocal Music	3,891	6,123	4,266	5,748
AHS Vocal Music Spec. Acct	497	0	0	497
AHS Varsity Athletic Club	177	0	0	177
AHS Student of the Month	977	1,198	943	1,232
AHS Spirit Club	212	1,307	1,207	312
AHS Art Club	4,648	1,110	953	4,805
AHS French Club	351	0	0	351
AHS Robotics	332	1,719	1,612	439
AHS Science Olympiad	540	300	320	520
AHS Family/Career/Comm	253	225	136	342
AHS National Honor Society	727	3,449	3,422	754
AHS Spanish Club	1,571	499	714	1,356
AHS Youth Entrepreneurs	100	0	0	100
AHS Oriole Store	136	0	0	136
AHS Concessions	8,612	25,480	23,931	10,161
AHS STUCO Activities	3,286	4,492	2,215	5,563
AHS In House Training	1,056	32	255	833
AHS FBLA Future Business	718	6,399	4,827	2,290
AHS Advanced Placement	452	0	0	452
AHS SADD	13,302	5,450	6,305	12,447
AHS Renaissance Program	143	750	602	291
AHS JAG	0	341	238	103
AHS Skills USA VICA	7,423	4,129	3,847	7,705
AHS Educators Rising	241	75	254	62
AHS Hosa	470	595	438	627
AHS School Newspaper	136	0	0	136
AHS Yearbook	12,393	12,392	20,421	4,364
AHS Computer Fund	125	0	54	71
	<u>76,652</u>	<u>111,906</u>	<u>109,927</u>	<u>78,631</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations (Continued)				
AHS Dance Team	184	13,884	13,149	919
AHS Weightlifting	286	0	0	286
AHS Powerlifting	315	0	0	315
Class of 1991	3	0	0	3
Class of 2007	2,335	0	2,335	0
Class of 2008	2,241	0	2,241	0
Class of 2009	100	0	0	100
Class of 2010	4,859	0	0	4,859
Class of 2011	1,919	0	0	1,919
Class of 2012	3,512	0	0	3,512
Class of 2013	1,160	4	0	1,164
Class of 2014	1,267	0	0	1,267
Class of 2015	455	0	0	455
Class of 2016	684	0	0	684
Class of 2017	2,740	0	1,000	1,740
Class of 2018	1,860	206	1,066	1,000
Class of 2019	2,302	6,278	6,349	2,231
Class of 2020	848	1,735	0	2,583
Class of 2021	0	666	0	666
Max Hendrickson	145	0	0	145
AHS Baseball Fundraiser	4,098	3,945	3,360	4,683
Girls Soccer Fundraiser	1,742	575	966	1,351
Soccer Fundraiser	354	1,478	1,285	547
Volleyball	440	1,665	1,165	940
AHS Football Fundraiser	2,846	11,886	13,285	1,447
AHS Wrestling	21	4,985	4,396	610
AHS Track	258	86	0	344
AHS Softball Fundraiser	861	6,512	2,093	5,280
Bowling	401	95	175	321
Boys Golf Fundraiser	489	0	0	489
Girls Golf Fundraiser	74	1,525	0	1,599
Boys Basketball Fundraiser	1,223	1,896	2,513	606
Girls Basketball Fundraiser	1,100	3,085	3,406	779
AHS Athletic Trainers	16	0	0	16
AHS Cheerleaders	1,043	12,663	12,614	1,092
AHS Summer Weight Pgrm	4,698	3,340	3,411	4,627
	<u>46,879</u>	<u>76,509</u>	<u>74,809</u>	<u>48,579</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations (Continued)				
AMS General	811	9,620	7,639	2,792
AMS Academics	362	150	359	153
AMS Gifted	19	0	0	19
AMS Band	2,168	10,158	7,195	5,131
AMS Library	1,274	855	960	1,169
AMS 7th Grade ELA	0	273	0	273
AMS National Jr. Honor Society	705	479	272	912
AMS Vocal Music	899	24	95	828
AMS Yearbook	2,637	5,219	6,720	1,136
AMS Builders Club	262	0	0	262
AMS 6th Grade Fundraising	1,675	8,855	9,133	1,397
AMS Stuco	1,560	9,354	7,484	3,430
AMS 7th Grade Science	406	0	0	406
AMS Avid	255	418	451	222
AMS Science Olympiad	431	0	0	431
AMS Scholars Bowl	248	221	326	143
AMS EMH Class	18	0	0	18
AMS Physical Ed. Activity	415	4,155	3,217	1,353
AMS Cheerleaders	1,880	556	1,365	1,071
AMS Volleyball	1,057	489	828	718
AMS Wrestling	177	868	889	156
AMS Football	759	717	811	665
AMS Girls Basketball	682	1,176	1,057	801
AMS Boys Basketball	3	50	0	53
AMS Track	52	85	72	65
	<u>18,755</u>	<u>53,722</u>	<u>48,873</u>	<u>23,604</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations (Continued)				
Ewalt General	2,545	6,601	6,725	2,421
Ewalt Library	685	330	(7)	1,022
Ewalt Yearbook	202	2,372	2,221	353
Ewalt Student Council	595	642	538	699
Garfield General	361	749	208	902
Garfield Early Childhood	8	0	0	8
Garfield Library	2,953	850	1,456	2,347
Garfield Stuco	523	0	0	523
Garfield Owl's	7	0	0	7
Garfield Vocal Music	84	0	0	84
Lincoln General	3,638	2,500	3,096	3,042
Lincoln Library	1,550	1,957	2,518	989
Robinson General	1,783	937	477	2,243
Robinson Green Team	69	0	0	69
Robinson Library	939	3,881	1,995	2,825
Meet the Author	2,248	887	1,371	1,764
Battle of the Books	217	0	76	141
	<u>18,407</u>	<u>21,706</u>	<u>20,674</u>	<u>19,439</u>
Memorials & Scholarships				
Rodney Wheeler Scholarship	6,266	1,150	2,000	5,416
J.C. Hutter Scholarship	10,471	1,952	932	11,491
Jacque Hoefgen Grant	4,446	1,946	2,000	4,392
Jeanette McDaniel				
Scholarship	3,119	155	0	3,274
Ron Baugher	750	500	750	500
	<u>25,052</u>	<u>5,703</u>	<u>5,682</u>	<u>25,073</u>
Other				
Bank Charges/Interest	(17)	31	0	14
Sales Tax	170	16,792	16,915	47
	<u>153</u>	<u>16,823</u>	<u>16,915</u>	<u>61</u>
Total Agency Funds	<u>\$ 185,898</u>	<u>\$ 286,369</u>	<u>\$ 276,880</u>	<u>\$ 195,387</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Augusta High School	\$ 12,447	\$ 0	\$ 67,559	\$ 67,025	\$ 12,981	\$ 867	\$ 13,848
AHS Athletics Special	7,596	0	11,851	17,867	1,580	831	2,411
Augusta Middle School	4,717	0	11,988	13,250	3,455	0	3,455
Total District Activity Funds	<u>\$ 24,760</u>	<u>\$ 0</u>	<u>\$ 91,398</u>	<u>\$ 98,142</u>	<u>\$ 18,016</u>	<u>\$ 1,698</u>	<u>\$ 19,714</u>

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement, which collectively comprise **Augusta Unified School District No. 402, Augusta, Kansas'** basic financial statement, and have issued our report thereon dated December 4, 2018. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Education
Augusta Unified School District No. 402

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Augusta Unified School District No. 402, Augusta, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 4, 2018



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Augusta Unified School District No. 402, Augusta, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs for the year ended **June 30, 2018**. **Augusta Unified School District No. 402, Augusta, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Augusta Unified School District No. 402, Augusta, Kansas'** compliance.

**Board of Education
Augusta Unified School District No. 402**

Opinion on Each Major Federal Program

In our opinion, **Augusta Unified School District No. 402, Augusta, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2018**.

Report on Internal Control Over Compliance

Management of **Augusta Unified School District No. 402, Augusta, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 4, 2018

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-17	Receipts	Expenditures	Unencumbered Cash 6-30-18
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 90,084				
National School Lunch Program	10.555	405,146				
Summer Food Service Program for Children	10.559	12,460				
		<u>507,690</u>	<u>\$ 0</u>	<u>\$ 507,690</u>	<u>\$ 507,690</u>	<u>\$ 0</u>
Department of Education						
Title I Grants to Local Educational Agencies	84.010	302,254	0	302,254	302,254	0
Special Education Grants to States	84.027	10,649	0	10,649	10,649	
Career and Technical Education - Basic Grants to States	84.048	17,784	0	17,784	17,784	0
Supporting Effective Instruction State Grants	84.367	77,940	0	77,940	77,940	
Student Support and Academic Enrichment Program	84.424	8,825	0	8,825	8,825	0
		<u>417,452</u>	<u>0</u>	<u>417,452</u>	<u>417,452</u>	<u>0</u>
Total Federal Awards		<u>\$ 925,142</u>	<u>\$ 0</u>	<u>\$ 925,142</u>	<u>\$ 925,142</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this schedule.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Augusta Unified School District No. 402, Augusta, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Augusta Unified School District No. 402, Augusta, Kansas**, was determined not to be a low-risk auditee.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

There are no prior audit findings.